

ORIGINAL

RECEIVED



0000097012

Barbara Wyllie-Pecora
27458 N. 129th Dr.
Peoria, AZ 85383

2009 MAY 15 P 2:33

ALL CORP COMM. CASES
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

May 14th, 2009

MAY 15 2009

RE: ARIZONA PUBLIC SERVICE COMPANY LINE EXTENSION POLICY
DOCKET NO. E-01345A-08-0172

DOCKETED BY

Dear Commissioners Kennedy & Stump:

In response to your letters submitted to the docket (dated April 28th and April 23rd respectively) I would like to address your questions of exactly how this policy (no free footage for line extensions) has negatively affected myself and persons I work with and represent.

First, having been a mortgage broker and real estate agent, I have seen the direct impact this policy has had on lower-income APS customers in rural areas. I have submitted two estimates in a prior docket submission, both are from rural customers in Pima County. They are exhibits 1 & 2 in this submittal. By removing any allowance for free power extensions and placing the entire cost of the extension on to the consumer, APS has created a hardship on low-income housing and individuals hoping to build a home in a rural area. Debbie Morrow is a resident of Ajo and an APS customer (Exhibit 1). She has received an estimate from APS that was nearly \$6,500 to move power only 70 feet. The second letter is from Michael Lillyquist (see Exhibit 2), a retiree who cannot afford the \$5,800 power extension cost even though the power lines are on his property line.

The rural areas of Arizona served by APS have a higher proportion of residents whose median-income is below the state average. Navajo County and La Paz County have voiced their concern over the removal of the free extension allowance as it places undue hardships on their residents and impact the economic growth of their counties. La Paz County has submitted a letter to the docket, and at least one Navajo County Supervisor has submitted a letter to the Corporation Commission which has not been docketed.

Second, the policy affects business growth in APS' service area. See Exhibit 3, a letter from Dr. Rick Ohanesian of Prescott, AZ. When trying to set up his new practice with power, he received an estimate of \$46,074. This is for a business that had yet to open its doors and begin earning any revenue! Many businesses begin with borrowed money and limited funds. These kind of fees for an essential service can and have detracted entrepreneurs and business owners from starting new businesses.

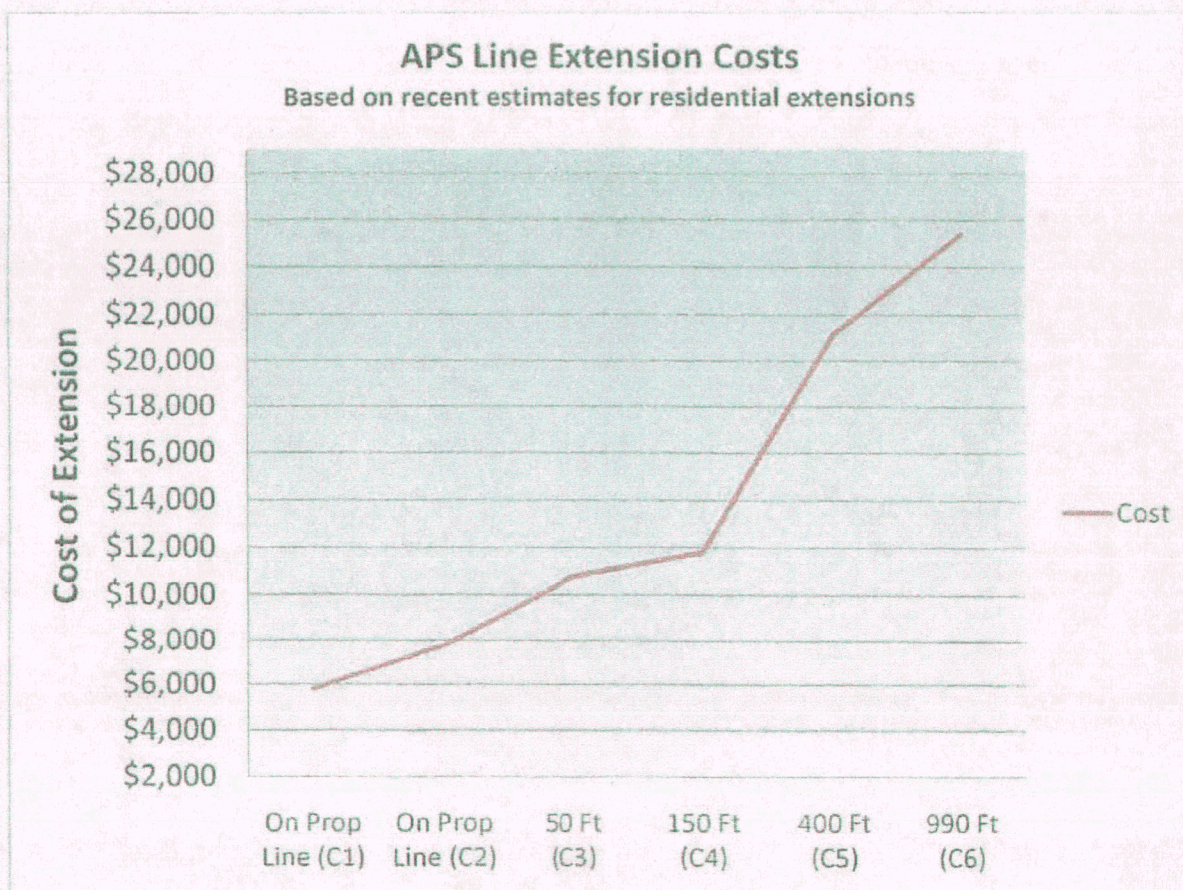
Third, our preliminary research shows that Arizona Public Service charges the highest rates for new service line extensions to residential units in the nation. While our research is not extensive and has not covered every state, we ask that APS show evidence that they are at least on par with other utility providers with regards to line extension costs. What is the average cost for an extension for other utility providers that do not offer free extension allowances? Two states we did examine were Kansas and Iowa. MidAmerican Energy Company is one of the largest utility providers in Iowa. They only offer a free extension allowance of 50 feet. Yet, their costs appear to be drastically lower than APS for similar distances. We were able to obtain an estimate from a property owner in Iowa. His proposal is for a 900ft extension, and is only \$5,586.89 (see Exhibit 4). In comparison, we received an estimate from APS on an extension of only 200ft across normal terrain that was \$10,800 (see Exhibit 5), and an estimate for a

similar distance of 990ft over normal terrain came in at \$25,400! (See Exhibit 6). Can APS provide evidence that their line extension costs are even slightly above a national average, let alone the highest?

Another utility provider, Kansas City Power & Light Company (regulated by the State Corporation Commission of Kansas) still provides free extensions to customers within ¼ mile of existing distribution lines. Please refer to Exhibit 7 to view Kansas City Power & Light Company's Line Extension Policies.

Further, aside from adversely affecting low-cost housing and economic growth, APS currently does not provide any type of payback to residential and business customers who pay for a line extension that eventually benefits other customers. If a new customer pays for a 990ft extension, then another customer builds a home next door and pays a fraction of the initial cost, why should there not be some sort of payback to the initial customer who footed the entire cost? This lack of payback deters and discourages growth as new customers wait until someone else can advance the power nearer their property. I provided another service schedule for a utility provider (Interstate Power and Light Company) in Iowa that is an example of a payback system in an area where no free extension allowances are given (see Exhibit 8). Also, under their old Schedule 3 that allowed 1,000 feet for free, APS offered a payback for extensions up to 2,000 feet when new customers hook-up to the new lines (see Exhibit 9).

Here is a chart illustrating the cost of new customer's utility extensions with Arizona Public Service Company. Each value on the horizontal axis (labeled C1-C6) corresponds to attached estimates with the same label.



Finally, a more accurate representation of the cost for APS to extend power lines would be to provide a cost per foot average. Using the attached exhibits and costs from provided estimates (not including the business estimate for the medical office in Prescott) used in the chart, APS charges an average of:

\$46.80 per FOOT

It is necessary for the Arizona Corporation Commission to revisit this policy and reinstate the free footage allowance of 1,000 feet for APS customers.

Respectfully,

Barbara Wyllie-Pecora

Barbara Wyllie-Pecora

EXHIBIT 1

January 11, 2009

Paul Newman
Gary Pierce
Kristin K. Mayes
Sandra D. Kennedy
Bob Stump

Arizona Corporation Commission
1200 West Washington Ave
Phoenix, AZ 85007

Dear Commissioners:

I am writing to ask you to reevaluate the decision on allowing APS to charge exorbitant prices for hooking up new services. Not everyone is a rich developer. I am an Animal Control Officer in the town of Ajo, AZ.

Five years ago I bought a used 1970 mobile home and placed it on the far side of my property for my elderly father to live in. I asked APS to provide service and I was told "no problem, but you have to have septic first". I saved money and the septic was put in this summer at a cost of \$8500. I then called APS again and was told that I would have to pay for the service to be brought to my property. The power is only 70 feet from my property line and I was given an estimate of \$4200 plus another \$2000 for a pole and panel on my property. This does not include the cost of bringing the power to the trailer. Not only is APS a monopoly so that I cannot go elsewhere but they demand that you use their workers and supplies with over inflated costs.

My father is a WWII veteran and 83 yrs old. He lives on his SS1 of \$1100/mo. He lost his wife of 40 yrs this last July and wants to live near his only family. I only hope that I can acquire electric service while he is still able to live independently.

The Arizona Corporate Commission's decision to allow APS to charge for the building of their business is hurting the rural people who just try to make ends meet. My APS bill is currently over \$3000 a year. I have been a ratepayer for over 15 years. There is no discount for being a good customer.

Please reverse the decision and reinstate the 1000' free extension.

Thank you for your consideration.

Sincerely,



Debra Morrow
2150 N Rosser Rd
Ajo, AZ 85321
602-228-2495

EXHIBIT 1



A subsidiary of Pinnacle West Capital Corporation

Phyllis Stuart
Sr. Customer Service Representative
SW Valley Construction

Phone: (623) 932-6644
Mobile: (602) 292-3529
Fax: (623) 932-6633

Phyllis.Stuart@APS.com
615 N 4 Street
Buckeye, AZ 85326

December 15, 2008

Debra Morrow
2150 N Rosser Rd
Ajo, AZ 85321

Re: Conceptual Cost Review for New home at 2150 N Rosser Rd

Dear Debbie,

Thank you for your interest in locating a new project within the APS service territory. I received the information you provided on October 27, 2008. After a conceptual review of your project, based on this information, I have an estimate for the cost to provide electric to the new home. It is \$4,173.51. This new estimate will not include customer provided pole and panel installation.

The cost is for your planning and budgeting purposes only and is subject to change without notice.

APS will extend service in accordance with the Conditions Governing Extensions of Electric Distribution Lines and Services, Schedule # 3 and the Terms and Conditions for the Sale of Electric Service, Schedule # 1, on file with the Arizona Corporation Commission.

I appreciate the opportunity to work with you and look forward to the successful completion of this project. If you have any questions, please call me at (623) 932-6644.

Sincerely,

Phyllis Stuart,
Sr. Customer Service Representative
SW Valley Construction

EXHIBIT 2

2410 Rosser Road
P.O. Box 161
Ajo, AZ 85321

January 26, 2009

Mr. Paul Newman
Mr. Gary Pierce
Ms. Kristin K. Mayes
Ms. Sandra D. Kennedy
Mr. Bob Stump

Arizona Corporation Commission
1200 West Washington Avenue
Phoenix, AZ 85007

Dear Commissioners:

In October of 2008, newly retired, I moved from New York State to Ajo, drawn by the beauty of the desert as well as the affordability of land and housing here. I bought a five-acre Veterans' Parcel on which sits a house, abandoned more than twenty years ago, which I hope to restore. The house once had electric service.

When APS asked me to pay \$5863. to have their transformer put back, I balked. New poles and power lines run right along my property but I can't afford to use them.

Any help you might provide would be most appreciated.

Sincerely,

Michael J. Lillyquist
tel: 585-905-8681
email: mlillyquist@hotmail.com

EXHIBIT 2



A subsidiary of Pinnacle West Capital Corporation

Ed Normand
Customer Service Representative
Buckeye Construction

Phone: (623) 932-6659
Fax: (623) 932-6633

Edward.Normand@APS.com
615 N 4 Street
Buckeye, AZ 85326

Mike Lillyquist
P.O. Box
Ajo Arizona, 85321

Re: Lillyquist Residence

Dear Mr. Lillyquist

Enclosed are the Extension Agreement and the Trenching Agreement/Conduit Specification forms. Please sign and return all copies of the agreements to me in the enclosed self addressed envelope, including your check for \$5,863.00. After we have received the agreements, we will have them authorized by our office and will return a fully executed copy to you for your records.

The APS Facilities Inspector's name is Jack Warner, please call the Buckeye office to schedule an appointment (623) 932-6678 or 6775. Please have your job superintendent contact APS at least three working days prior to your trenching contractor beginning the trenches for APS, US WEST, and CABLE TV. Upon your completion and the final acceptance of the trench by the inspector, APS will begin pulling wire within 10 working days. It is imperative that this contact be made to avoid delays.

Please keep me advised of any changes in your construction schedule so that I may more accurately schedule the required APS crews and ensure meeting your schedule.

Should you have any questions, please call me at (623) 932-6659.

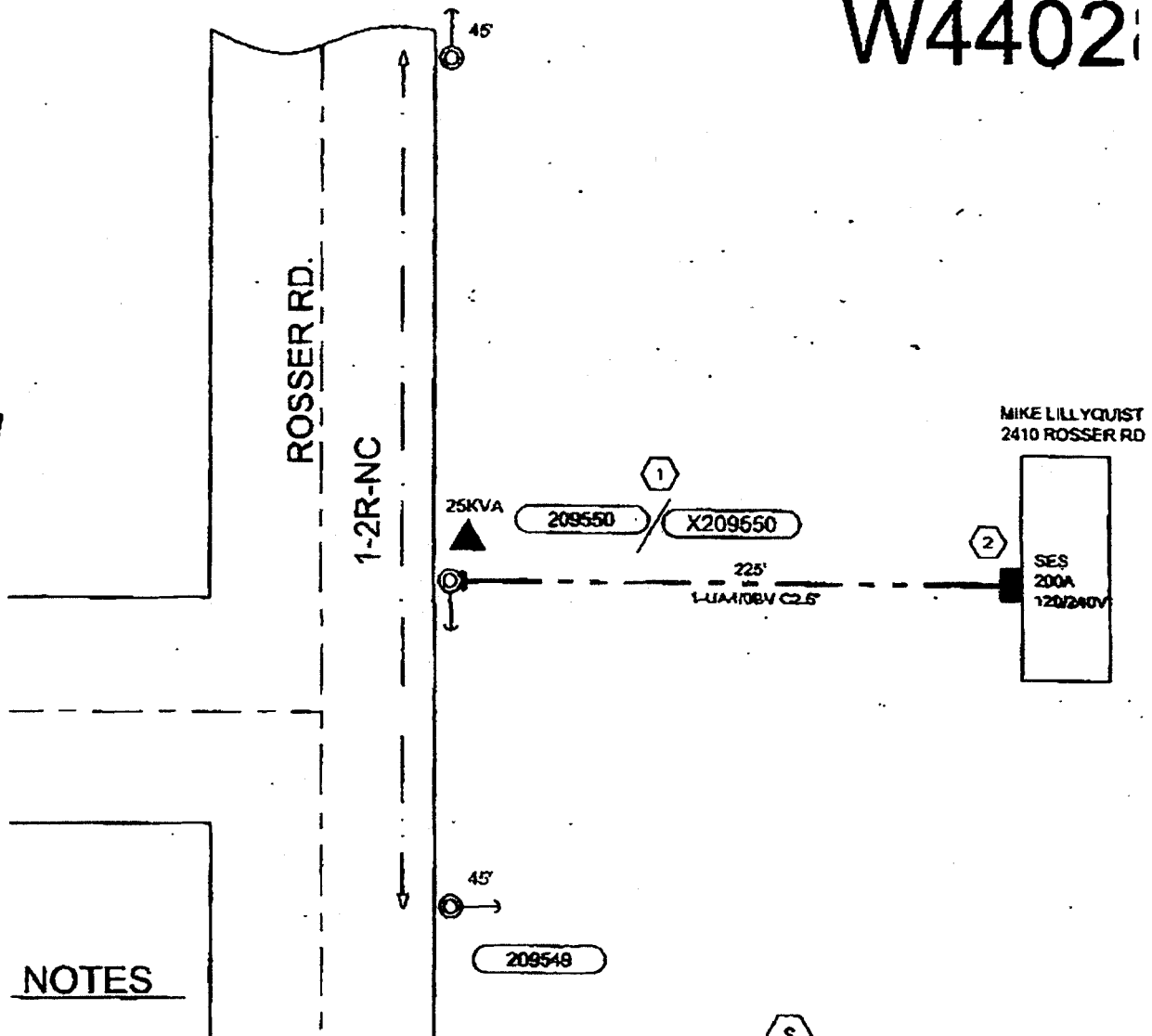
Sincerely,

A handwritten signature in black ink, appearing to read "Ed Normand", written over a horizontal line.

Ed Normand
Customer Service Representative
Southwest Valley, Buckeye District

EXHIBIT 2

Lillyquist Re W4402



NOTES

Wire Data
6220.UA4/0BV=284'
8895.MRV=284'
8895.MLV=2(GAL)

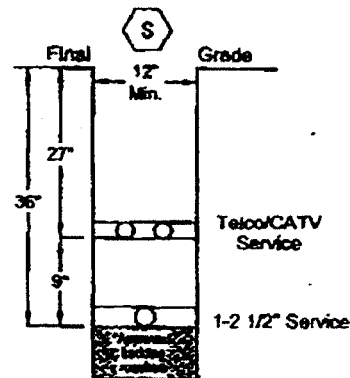


EXHIBIT 3

Date: September 8, 2008

To: Chairman Gleason
Commissioner Mayes
Commissioner Mundell
Commissioner Hatch-Miller
Commissioner Pierce

Arizona Corporation Commission
Utilities Division
1200 W. Washington
Phoenix, Arizona 85007

From: Rick Ohanesian MD MBA
Prescott Women's Clinic
919 12th Place
Suite 1
Prescott, AZ 86305
928-778-5110
rmo@ix.netcom.com

Re: Docket # E-01345A-08-0172
APS Proposed System Facilities Charge within its Line Extension Policy,
Schedule 3

Dear Corporation Commission,

I am writing to comment upon, and strongly oppose the upcoming APS request for approval of a "System Facilities Charge." I have already filed a complaint specific to our situation with the Corporation Commission in regard to the amount I was charged for a service line extension, but it is my understanding that APS wishes to gain explicit permission from the Commission for a System Facilities Charge, (a fee which it is already charging and collecting).

I am not a lawyer, nor am I familiar with the terminology used in Corporation Commission proceedings or monopoly rate requests. I apologize if my terminology or wording is unclear or inexact. I would be happy to explain any ambiguity that may appear in this letter.

Background:

My Prescott Obstetrics & Gynecology group is constructing a medical office building adjacent to the new hospital in Prescott Valley.

Per APS, the Corporation Commission granted a fee request effective late February 2008 that they claim allows them to charge what amounts to a hook-up fee. For our 16,000 square foot building, that charge was \$23,617 which did not include an additional charge of \$22,457 for material. The total charge was a staggering \$46,074!

In other words, before we purchase even a single spark of electricity from APS, we have to pay them \$46,074 up front. For obvious reasons, this hook-up fee, both in principle and dollar amount, has stuck in our craw.

My group filed a complaint with the Corporation Commission. It is my understanding from the resulting investigation that the largest single component of the charges, the \$23,617 system facilities fee, was not actually approved in the last rate request. There is, apparently, some ambiguity. APS has now requested formal and explicit approval of this charge in their current rate case request. We are writing to oppose that request and to explain that opposition.

These fees, in principle, are akin to a gas station requiring customers to buy the gas pump before they are then granted the privilege of buying gasoline at a profit to the gas station.

It is particularly infuriating to us if APS is, in fact, charging such a large fee for which they were never granted permission to levy.

Our Assertions:

- 1. The implied and legal contract between a monopoly corporation and the citizens it serves is essentially thus: Monopoly power is granted provided such power is not abused.**

We feel that a \$23,617 fee to simply hook up to the electrical grid is abuse of monopoly power. We have no alternative power company to turn to for a better deal. And we can't operate a medical office without electricity. Frankly, we feel like this is a shakedown – nothing more than a hold-up by a company with monopoly status and the power that status confers.

This charge – the dollar amount – regardless of the company rationale or justification, is outrageous, all other issues aside.

One can argue that the principle of nominal hook-up fee for future services may be justified or not, but the dollar amount APS is attempting to charge for this small building is simply exorbitant and renders such an argument irrelevant.

- 2. We feel strongly that, in principle and practice, such large hook-up fees are bad policy and negatively affect everyone involved – the State of Arizona, its citizens, and its businesses.**

The statement speaks for itself. Barriers to business survival and success are already too high.

This has, however, broad implications for the competitiveness and attractiveness of Arizona in growing new businesses from within the state, and especially in recruiting new employers from out of state. Given that electricity is essential to any building or business, this "private tax" can certainly take the shine off Arizona's attractiveness as a relocation site. Such changes affect our economy and quality of life for decades.

This hook-up fee not only applies to businesses. Our building contractor has a client building a home who was charged approximately \$10,000 simply to connect to APS. He found, like us, that he was unable to dispute this fee without essentially halting construction – a financially unacceptable alternative in most circumstances– so he caved in and just paid the fee. The dollar amounts are larger for businesses, but private citizens will also feel this sting.

3. Approval and acceptance of the principle of high hook-up fees offer a dangerous precedent for any other service provider, monopoly or not.

Currently in Arizona, the public is not subject to such huge connection fees for any of our other services – gas, water, telephone, cable television, sewer and the like. The prospect of other services attempting to gouge the public with such fees increases once the door is opened for one.

This would be unfortunate policy for the state to set, offering a disservice to its citizens and businesses.

4. APS' justification for the high connection fees, as stated in one of their information forms, is that "growth should pay for growth."

That is just plain incorrect. Every business has infrastructure and growth costs. These are borne and passed on through the products they sell. It is factored into the cost of everything we purchase. APS makes a profit on every watt of electricity it sells. That profit should support the growth of their business, which in turn increases the volume of sales and resultant revenues. Electricity sales should be sufficient to run the company. No business should operate at a loss through sales but survive through excessive ancillary fees. APS should not be allowed to do so.

If APS claims that without charging such unacceptably high up-front fees for new hook-ups they can't make a profit, then their distorted rate structure should be addressed. Attempting to remedy a problem with a perverse solution complicates the situation further for everyone and makes it all the more difficult to correct going forward.

Please consider these points and sentiment when addressing the APS request for this systems facilities charge. If you have any questions or need further information, please give me a call or send an email.

Thank you very much for your time and consideration of this issue.

Sincerely,

Rick Ohanesian

EXHIBIT 4



MidAmerican Energy Company
CUSTOMER TECHNICIAN
P O BOX 657
Des Moines, Iowa 50305-0657

March 23, 2009

Todd Omundson
8852 NE Morgan Dr.
Bondurant, IA 50035

Re: Electric service to a new home on SE 108th St. Polk County

Dear Mr. Omundson:

We are pleased to submit a proposal and drawing to provide an underground distribution extension for the above project using either an electric heating system or another fuel.

MidAmerican Energy Company will install underground primary cable and a pad mounted transformer to provide 120/240 volt, single-phase three-wire service as shown on the attached drawing. The applicant charge to provide this installation if the home is heated electrically is \$4,433.59. If the home is not heated electrically, the charge is \$5,586.89. This proposal is valid for 90 days and if MidAmerican Energy Company construction has not commenced within 12 months it may be voided. This proposal is based on the following terms:

MidAmerican Energy Company Proposes To:

1. Furnish and install underground primary cable between the transformer and MidAmerican Energy Company's distribution system.
2. Furnish and install the pad and pad mounted transformer to provide 120/240 volt, single-phase, three-wire service at the location shown on the drawing.
3. Connect the primary and secondary cable at the transformer.
4. Furnish and install the applicable electric meter.



March 23, 2009

Page 2

5. Furnish and install underground service from meter socket to MidAmerican Energy Company's transformer; this proposal does not include the cost for this installation. MidAmerican Energy Company will bill Applicant for the additional costs after installation is complete.

The Applicant Agrees To:

1. Furnish and install an electric meter setting by MidAmerican Energy Company's standards.
2. Grade the underground primary cable route to within four inches of final grade and clear the route of construction materials, obstructions, trees, etc. Extra costs for additional excavation beyond normal trenching operations due to unforeseen underground obstructions shall be paid by the applicant.
3. The Applicant agrees to indemnify and hold MidAmerican Energy Company harmless from any and all damages that may result from the non-tamping of backfill operations conducted by MidAmerican Energy Company. In case any action is brought against MidAmerican Energy Company, or any of its agents or employees, relative to such backfill operations, the Applicant shall assume full responsibility for the defense thereof. Upon failure to do so on proper notice, MidAmerican Energy Company reserves the right to defend such action and charge all costs to the Applicant, provided, however, that nothing herein shall be construed as an assumption of liability by the Applicant for damages and claims attributable to MidAmerican Energy Company's negligence.
4. Furnish an easement to MidAmerican Energy Company without cost. (Furnish survey drawing and/or legal description for easement preparation.) If a 3rd party easement is required any cost associated in obtaining the easement will be paid by the applicant.



March 23, 2009

Page 3

5. Be responsible for complying with all aspects of compliance as required by any local, state, or federal permit or plan associated with storm water pollution prevention or erosion control. It is specifically understood and agreed that MidAmerican Energy Company is providing the service requested by the Applicant solely for the Applicant. MidAmerican Energy Company will not become or agree to become a co-permittee or operator for the purpose of applicants' compliance with any local, state or federal permit or plan associated with storm water pollution prevention or erosion control.

If MidAmerican Energy Company is required to start construction of underground electric facilities during the winter season, the work will be subject to an additional winter construction charge.

There is also an additional charge for connecting and disconnecting your temporary construction power pole, which is not included in any of the costs of this proposal. If this additional service is required, MidAmerican Energy Company will bill the Applicant accordingly.

The undersigned certifies that the structure served by the electric distribution system meets the energy conservation standards as contained in the Iowa Administrative Code Section 661-16.800 sometimes known as the "State Building Code Thermal and Lighting Efficiency Standards."

It is MidAmerican Energy Company's responsibility to see that the various utility companies' facilities are located before our construction. This includes electric, natural gas, telephone, cable television, and generally water. It is the owner's responsibility to see that any privately owned systems such as water systems, such as water services, irrigation systems, drain pipes, septic lines and underground wiring are located before MidAmerican Energy Company's construction. MidAmerican Energy Company assumes no liability for private facilities that are not located.



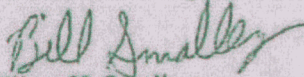
March 23, 2009
Page 4

All MidAmerican Energy Company installed facilities will remain the property of MidAmerican Energy Company. MidAmerican Energy Company alone will determine whether the facilities will or will not be used to provide other services or extensions to serve other customers.

Please advise which proposal is satisfactory, sign and return one copy of this letter to me. Please include payment for the appropriate proposal selected. MidAmerican Energy Company will release the work for scheduling upon receipt of the signed proposal, payment, and easement. If you have questions please call me at 515-242-3902.

Sincerely,

MidAmerican Energy Company

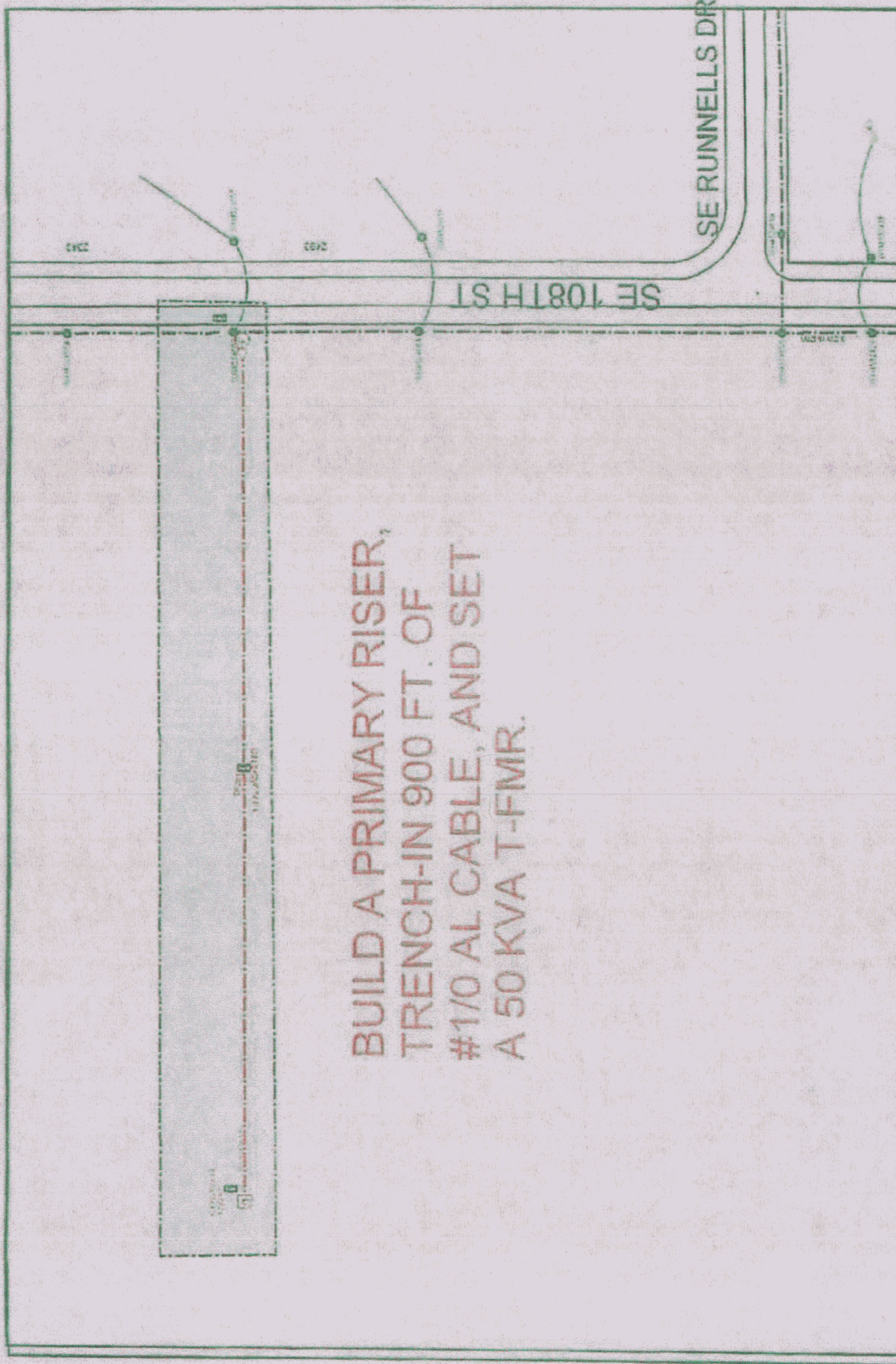

William H. Smalley
Customer Technician

_____ All Electric \$4,433.59

_____ Gas & Electric \$5,586.89

Accepted By: _____

Date: _____ Date Service Required: _____



BUILD A PRIMARY RISER,
TRENCH-IN 900 FT. OF
#1/0 AL CABLE, AND SET
A 50 KVA T-FMR.


		Cust: TODD OMUNDSON Addr: 0 SE 108TH ST City: POLK COUNTY SE		ST X = 1,672,865 Y = 568,865	WMS_REV: 2117944-1 Date: 3/16/2009 Scale: 1 in = 150 ft Designer: WILDEMAN, DENNIS D
Job Desc: CUST WANTS TO BUILD A NEW HOME 900+ FEET BACK FROM ROAD, APPROX. LOC ACROSS FROM ADDRESS 2467. CUST WILL CALL DENNY W. FOR					

EXHIBIT 5



A subsidiary of Pinnacle West Capital Corporation

Name Vicki Vance Phone: 623-932-6671
Title CSR Mobile: 602-448-6821
Department Buckeye Construction Fax: 623-932-6633

Email Address
vicki.vance@aps.com
Physical Address
615 N 4th St
City, State, Zip
Buckeye, AZ 85326

November 18, 2008

Re: Lot 504-32-036B

Dear John,

This letter is in response to fax you sent me on November 13, 2008. The following price includes all labor and material for one pole, transformer, primary wire, an estimated 200' of service line and a meter set. Note that this quote is rounded to the nearest number and the final price may vary slightly. The estimated cost is \$10,800.00

Any questions please feel free to give me a call at 623-932-6671

Sincerely;

Vicki Vance

EXHIBIT 5



EXHIBIT 6



A subsidiary of Pinnacle West Capital Corporation

Name: Vicki Vance
Title: CSR
Department: Buckeye Construction

Phone: 623-932-6671
Mobile: 602-448-6821
Fax: 623-932-6633

Email Address:
vicki.vance@aps.com
Physical Address: 615 N 4th
Street
City, State, Zip: Buckeye, AZ
85326

March 11, 2009

John Wyllie
MGW, LLC
7835 W Camino Del Oro
Peoria, AZ 85383

Re: Conceptual Cost Review for Lot 504-34-001D

Dear John,

Thank you for your interest in locating a new project within the APS service territory. After a conceptual review of your project, based on the information you provided, we estimate the cost for providing electric service to be approximately \$ 25,400.00. This is for a 4 pole extension coming off the 351st Ave to the Southeast corner of the lot. This cost includes all APS labor and material needed to get power to the customer. This estimate does not include customer provided trench and conduit costs.

The cost provided is for planning purposes only and is subject to change without notice. Additional costs may apply for street lighting. In order to proceed with firm pricing and a detailed electrical design, a study and design payment will be required.

APS will extend service in accordance with the Conditions Governing Extensions of Electric Distribution Lines and Services, Schedule # 3 and the Terms and Conditions for the Sale of Electric Service, Schedule # 1, on file with the Arizona Corporation Commission.

I appreciate the opportunity to work with you and look forward to the successful completion of this project. If you have any questions, please call me at 623-932-6671.

Sincerely,

Vicki Vance
CSR
Buckeye Construction

EXHIBIT 6

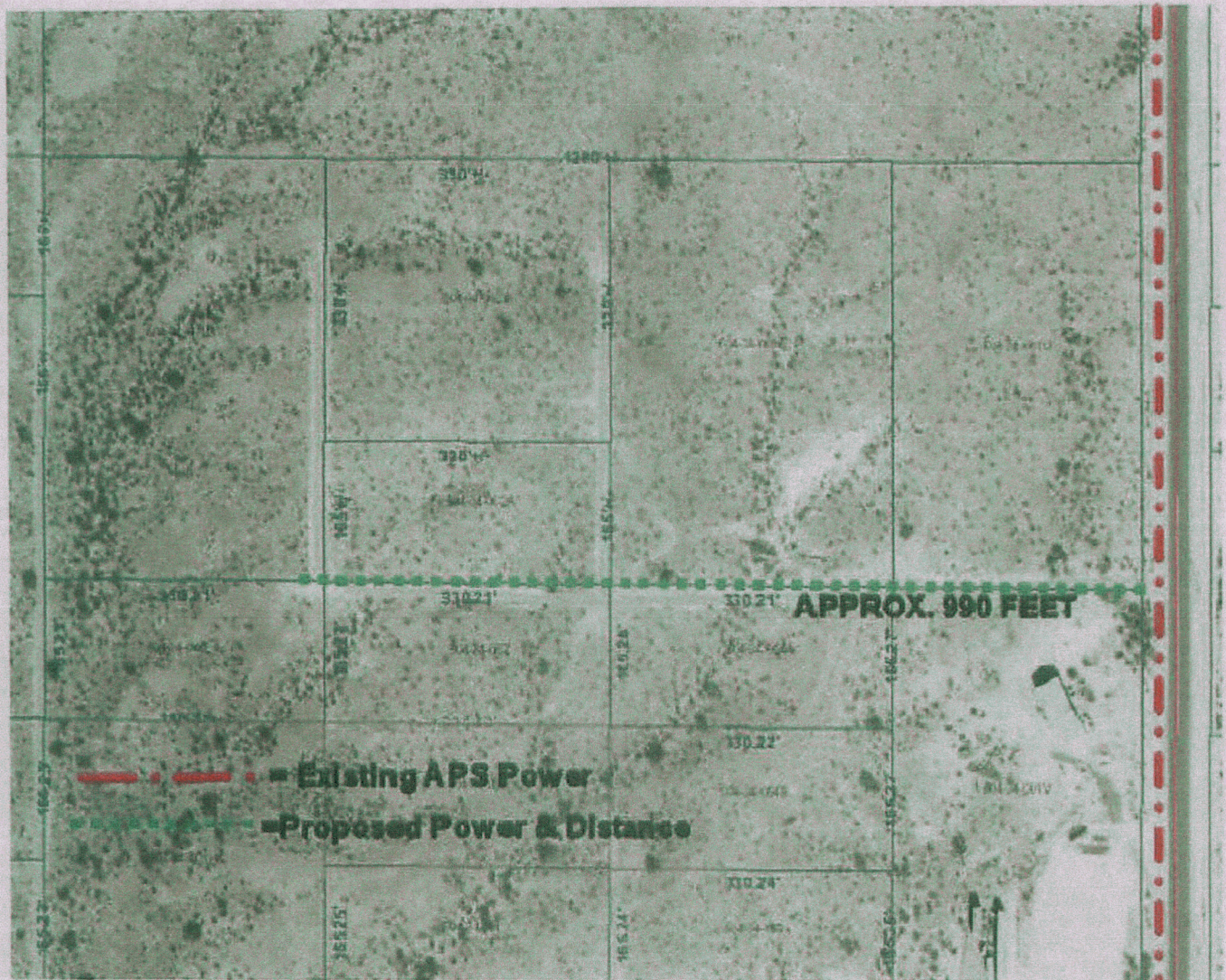


EXHIBIT 7

THE STATE CORPORATION COMMISSION OF KANSAS

SCHEDULE 1.59

KANSAS CITY POWER & LIGHT COMPANY

(Name of Issuing Utility)

Replacing Schedule 1.59 Sheet 59

Rate Areas 2 & 4

(Territory to which schedule is applicable)

which was filed September 27, 1995

No supplement or separate understanding shall modify the tariff as shown hereon.

Sheet 59 of 99 Sheets

GENERAL RULES AND REGULATIONS APPLYING TO ELECTRIC SERVICE

(continued)

8. LINE EXTENSIONS AND DISTRIBUTION POLICIES

The Company will supply electric service at premises not adjacent to its existing distribution facilities which are adequate and suitable as to capacity, voltage, phase and other characteristics for the electric service required by the Customer, in accordance with the following extension policy:

8.01 OVERHEAD SINGLE-PHASE RESIDENTIAL AND RURAL RESIDENTIAL EXTENSIONS:

(A) Company will make free extensions of its distribution lines as and when necessary to serve any and all prospective customers applying for electric service, located within one-quarter (1/4) mile of existing distribution lines in rural areas in which utility holds certificates of convenience and necessity from the State Corporation Commission. Extensions may involve application of the quarter-mile (1/4 mile) provision to a customer's property line, onto a Customer's property, or a combination providing extension to the Customer's property line and onto a Customer's property.

(B) The Company will build the first one-eighth (1/8) mile and the last one-eighth (1/8) mile of single-phase line per residential or rural residential customer under its established rates and minimum charges. In the event the line extension exceeds one-quarter (1/4) mile per residential or rural residential Customer, there shall be a monthly Customer Charge or an increase in the existing monthly Customer Charge. The amount of the Customer Charge or increase to an existing monthly Customer Charge may be paid in equal installments over sixty consecutive bills.

(C) Residential and rural residential service as provided under this Rule 8.01 is defined as electric service to a permanent single-family residence or rural residence consisting of a single structure roofed and enclosed within exterior walls, built for permanent use, erected, framed of component structural parts and unified in its entirety both physically and in operation for single-family residential or rural residential occupancy.

(D) As evidence that the Customer accepts service under the terms of this extension policy, the Customer will be required to sign an Electric Service Agreement guaranteeing the monthly Customer Charges for a period of five (5) years. After the initial contract period, the monthly minimum or monthly Customer Charge will not exceed the amount set forth in the appropriate Rate Schedule.

07-KCPE-505-RTS

Approved

Kansas Corporation Commission

November 20, 2007

/s/ Susan K. Dugan

Issued: December 7, 2007

Noted & FILED

Effective: January 1, 2008

THE STATE CORPORATION COMMISSION OF
KANSAS

By: Chris B. Giles Vice-President

By:

EXHIBIT 8
Interstate Power and Light Company
ELECTRIC TARIFF
Filed with the I.U.B.
ORIGINAL TARIFF NO. 1

Substitute First Revised Sheet No. 253
Canceling Original Sheet No. 253

**GENERAL RULES AND REGULATIONS
FOR ELECTRIC SERVICE
EXTENSION POLICY**

11.09 REFUNDS: The Company shall refund to the customer for a period of ten years, from the date of the original advance, a pro rata share for each service line attached to the extension. The pro rata refund shall be computed in the following manner:

11.09A If the total estimated construction cost to provide the distribution main extension is less than the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the distribution main extension and each service line attached to the extension, the entire amount of the advance for construction shall be refunded. [199-20.3(13)c(5)1]

11.09B If the total estimated construction cost to provide the distribution main extension is more than the combined total of three times estimated base revenue, or the amount allowed by the feasibility model, for the distribution main extension and each service line attached to the extension, the amount to be refunded shall equal three times estimated base revenue, or the amount allowed by the feasibility model, for each service line attached to the distribution main extension. [199-20.3(13)c(5)2]

11.09C In no event shall the total amount to be refunded exceed the amount of the advance for construction. Any amount subject to refund shall be paid by the Company without interest. The Company shall not be obliged to refund any portion after ten years have elapsed from the date of deposit. [199-20.3(13)c(5)3]

EXHIBIT 9



SERVICE SCHEDULE 3 CONDITIONS GOVERNING EXTENSIONS OF ELECTRIC DISTRIBUTION LINES AND SERVICES

- 4.4.2 RESIDENTIAL APARTMENT COMPLEXES, CONDOMINIUMS AND OTHER MULTI UNIT RESIDENTIAL BUILDINGS - Company shall refuse service to all new construction and/or expansion of apartment complexes and condominiums unless the construction and/or expansion is individually metered by the utility. Master metering will only be allowed for buildings utilizing centralized heating, ventilation and/or air conditioning system where the contractor can provide an analysis demonstrating that the central unit will result in a favorable cost/benefit relationship as stated in R14-2-205 of Corporation Commission's Administrative Rules and Regulations.

5. REFUNDS

5.1 REVENUE AND ECONOMIC FEASIBILITY BASIS REFUNDS

- 5.1.1 Customer advances over \$50.00 are subject to full or partial refund, provided that a survey based on conditions of the extension, not including laterals or extensions from the extension being surveyed as specified in Section 5.1.2 existing at the time of survey, results in an advance lower than the amount actually advanced. Except as provided for in Section 5.3, such surveys shall not be made for customers extended to under the basis specified in Section 4.1, 4.2, or 4.3. A survey will be conducted by Company five (5) years after signing the extension agreement under the extension policy in force at the time of the extension. Upon request, the customer will be entitled to intermediate surveys within the five (5) year period after the end of six (6) months following the date of signing the extension agreement and subsequent surveys at intervals of not less than one (1) year thereafter. Company will refund the difference between the amount advanced and the amount that would have been advanced had the advance been calculated at the time of survey. In no event shall the amount of any refund exceed the amount originally advanced.
- 5.1.2 Laterals or extensions from an extension being surveyed shall not be considered in the survey when the lateral or extension was extended on the basis "extensions over the free limits" of Sections 2.2 or 3.2, or is not connected directly to the extension being surveyed. In real estate developments extended to under the basis specified in Section 4.4, the survey may include laterals and extensions to serve permanent customers located within the real estate development described in the extension agreement for the extension being surveyed.
- 5.1.3 In lieu of surveys, Company will determine the refund based on the number of permanent connections to the extension for residential real estate development. In such event, Company shall specify in the extension agreement the amount of refund per permanent customer connection.

5.2 REFUNDS FOR EXTENSIONS TO IRRIGATION CUSTOMERS

Customer advances over \$50.00 are subject to refund of twenty-five (25) percent of the annual accumulation of twelve (12) monthly bills based on Company's then currently effective rate for distribution service (excluding taxes, regulatory assessment and other adjustments) in excess of the annual minimum bill, for service to the irrigation pump specified in the agreement for the extension being surveyed, commencing with the date of signing the agreement. In no event shall the amount of any refund exceed the amount originally advanced.



SERVICE SCHEDULE 3
CONDITIONS GOVERNING EXTENSIONS OF
ELECTRIC DISTRIBUTION LINES AND SERVICES

5.3 REFUNDS TO CUSTOMERS OF DOUBTFUL PERMANENCY

Customer advances over \$50.00 are subject to full or partial refund pursuant to surveys based on the Revenue or Economic Feasibility Basis as specified in Section 5.1.1. In no event shall the refund exceed twenty-five (25) percent of the annual accumulation of twelve (12) monthly bills based on Company's then currently effective rate for distribution service (excluding taxes, regulatory assessment and other adjustments) in excess of the annual minimum bill for the customer specified in the extension agreement. In no event shall the amount of any refund exceed the amount originally advanced.

5.4. GENERAL REFUND CONDITIONS

- 5.4.1 Customer advances of \$50.00 or less are not subject to refund.
- 5.4.2 No refund will be made to any customer for an amount more than the unrefunded balance of the customer's advance.
- 5.4.3 Any unrefunded balance of the customer's advance shall become nonrefundable five (5) years from the date of Company's receipt of the advance.
- 5.4.4 Company reserves the right to withhold refunds to any customer whose account is delinquent and apply these refund amounts to past due bills.

6. UNDERGROUND CONSTRUCTION

- 6.1 GENERAL UNDERGROUND CONSTRUCTION POLICY** - With respect to all underground installations, Company may install underground facilities only if all of the following conditions are met:

- 6.1.1 The extension meets feasibility requirements as specified in Sections 1, 2, 3, or 4.
- 6.1.2 The customer or developer provides all earthwork including, but not limited to, trench, boring or punching, conduits, backfill, compaction, and surface restoration in accordance with Company specifications.

(Company may provide all earthwork and the customer or developer will make a nonrefundable contribution equal to the cost of such work provided by Company.)

- 6.2 THREE-PHASE UNDERGROUND CONSTRUCTION** - Where it is determined that three phase is required to serve the customer, Company may install three-phase facilities if the conditions specified in Section 6.1 are met, and the customer provides the following:

- 6.2.1 Installation of equipment pads, pull-boxes, manholes, and conduits as required in accordance with Company specifications. In lieu of providing conduits, the customer may provide a nonrefundable contribution equal to the estimated difference in cost between overhead and underground facilities.
- 6.2.2 A nonrefundable contribution for excess service footage required by the customer equal to the increased estimated cost of installed service lines over what would be required with a maximum 40-foot service at 480 volts and 20-foot service at 120/208 or 240 volts.

CHART C1



A subsidiary of Pinnacle West Capital Corporation

Ed Normand
Customer Service Representative
Buckeye Construction

Phone: (623) 932-6659
Fax: (623) 932-6633

Edward.Normand@APS.com
615 N 4 Street
Buckeye, AZ 85326

Mike Lillyquist
P.O. Box
Ajo Arizona, 85321

Re: Lillyquist Residence

Dear Mr. Lillyquist

Enclosed are the Extension Agreement and the Trenching Agreement/Conduit Specification forms. Please sign and return all copies of the agreements to me in the enclosed self addressed envelope, including your check for \$5,863.00. After we have received the agreements, we will have them authorized by our office and will return a fully executed copy to you for your records.

The APS Facilities Inspector's name is Jack Warner, please call the Buckeye office to schedule an appointment (623) 932-6678 or 6775. Please have your job superintendent contact APS at least three working days prior to your trenching contractor beginning the trenches for APS, US WEST, and CABLE TV. Upon your completion and the final acceptance of the trench by the inspector, APS will begin pulling wire within 10 working days. It is imperative that this contact be made to avoid delays.

Please keep me advised of any changes in your construction schedule so that I may more accurately schedule the required APS crews and ensure meeting your schedule.

Should you have any questions, please call me at (623) 932-6659.

Sincerely,

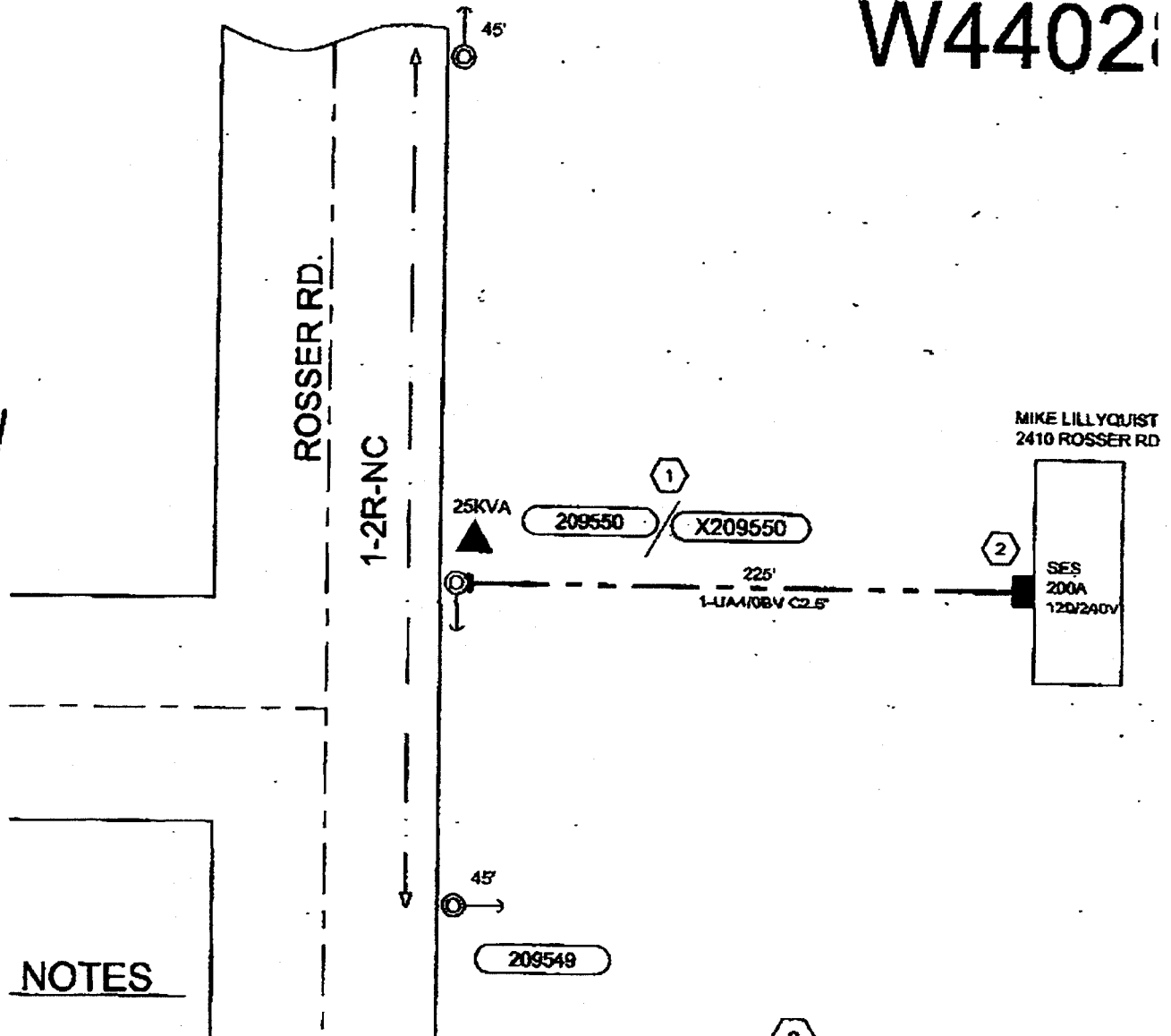
A handwritten signature in black ink, appearing to read "Ed Normand", is written over a horizontal line.

Ed Normand
Customer Service Representative
Southwest Valley, Buckeye District

CHART C1

Lillyquist Re

W4402



NOTES

Wire Data
6220.UA4/0BV=284'
8895.MRV=284'
8895.MLV=2(GAL)

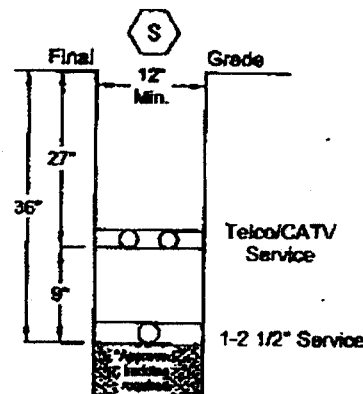


CHART C2



A subsidiary of Pinnacle West Capital Corporation

Name Vicki Vance
Title CSR
Department Buckeye Construction

Phone: 623-932-6671
Mobile: 602-448-6821
Fax: 623-932-6633

Email Address
vicki.vance@aps.com
Physical Address
615 N 4th St
City, State, Zip
Buckeye, AZ 85326

November 18, 2008

Re: Lot 506-40-168B

Dear John,

This letter is in response to fax you sent me on November 13, 2008. The following price includes all labor and material for a transformer, secondary line to a junction box, the junction box, service lines and a meter sets. Note that this quote is rounded to the nearest number and the final price may vary slightly. The estimated cost is \$7800.00

Any questions please feel free to give me a call at 623-932-6671

Sincerely;

Vicki Vance

CHART C2

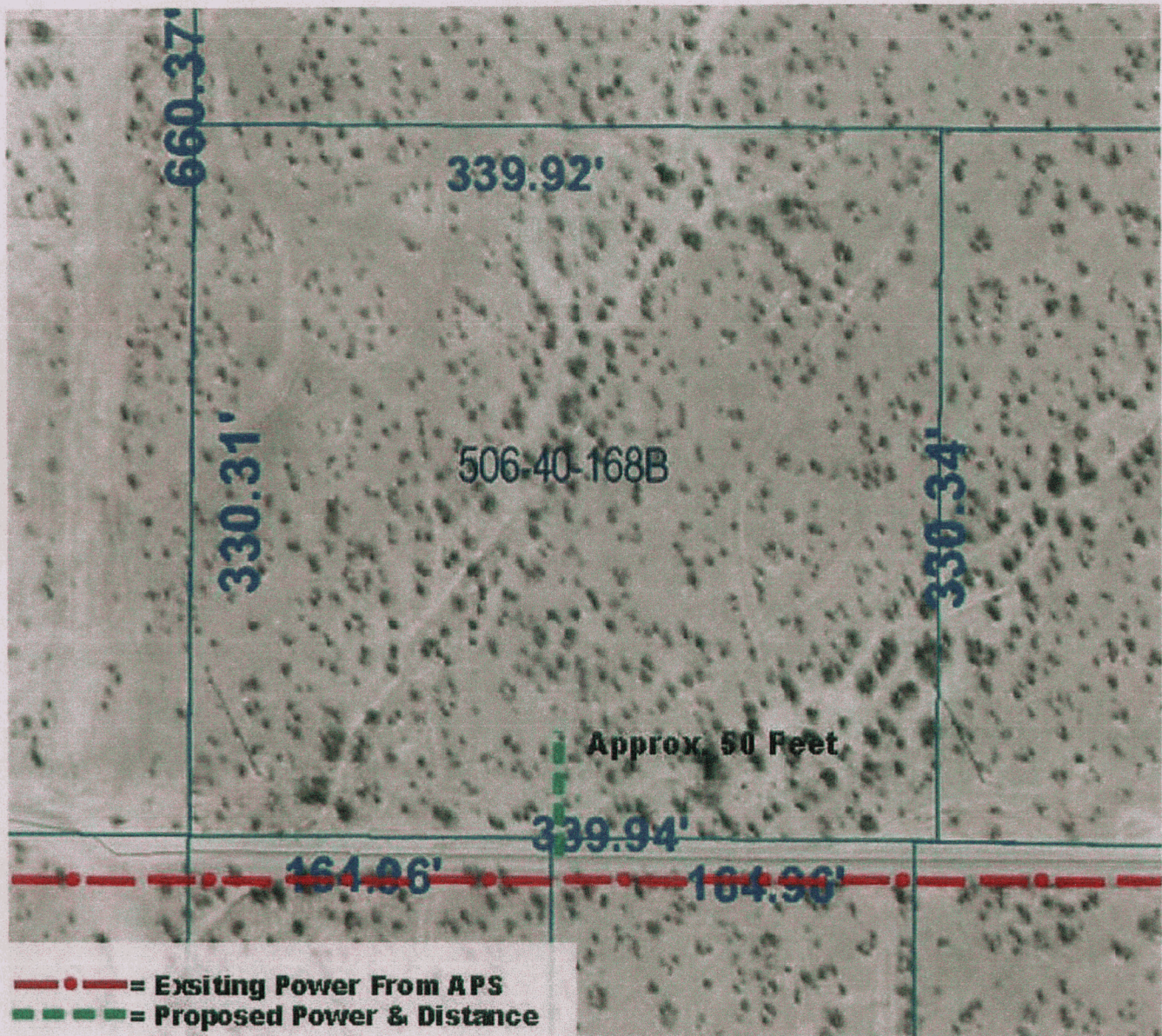


CHART C3



A subsidiary of Pinnacle West Capital Corporation

Name Vicki Vance Phone: 623-932-6671
Title CSR Mobile: 602-448-6821
Department Buckeye Construction Fax: 623-932-6633

Email Address
vicki.vance@aps.com
Physical Address
615 N 4th St
City, State, Zip
Buckeye, AZ 85326

November 18, 2008

Re: Lot 504-32-036B

Dear John,

This letter is in response to fax you sent me on November 13, 2008. The following price includes all labor and material for one pole, transformer, primary wire, an estimated 200' of service line and a meter set. Note that this quote is rounded to the nearest number and the final price may vary slightly. The estimated cost is \$10,800.00

Any questions please feel free to give me a call at 623-932-6671

Sincerely;

Vicki Vance

CHART C3



CHART C4



A subsidiary of Pinnacle West Capital Corporation

Name Vicki Vance
Title CSR
Department Buckeye Construction

Phone: 623-932-6671
Mobile: 602-448-6821
Fax: 623-932-6633

Email Address:
vicki.vance@aps.com
Physical Address 615 N 4th
Street
City, State, Zip Buckeye, AZ
85326

February 17, 2009

John Wyllie
MGW, LLC
7835 W Camino Del Oro
Peoria, AZ 85383

Re: Conceptual Cost Review for Lot 506-41-286W

Dear John,

Thank you for your interest in locating a new project within the APS service territory. After a conceptual review of your project, based on the information you provided, we estimate the cost for providing electric service to be approximately \$ 11,820.00. This is for a 1 pole extension coming off the Pioneer Street alignment. This cost includes all APS labor and material needed to get power to the customer. This estimate does not include customer provided trench and conduit costs.

The cost provided is for planning purposes only and is subject to change without notice. Additional costs may apply for street lighting. In order to proceed with firm pricing and a detailed electrical design, a study and design payment will be required.

APS will extend service in accordance with the Conditions Governing Extensions of Electric Distribution Lines and Services, Schedule # 3 and the Terms and Conditions for the Sale of Electric Service, Schedule # 1, on file with the Arizona Corporation Commission.

I appreciate the opportunity to work with you and look forward to the successful completion of this project. If you have any questions, please call me at 623-932-6671.

Sincerely,

Vicki Vance
CSR
Buckeye Construction

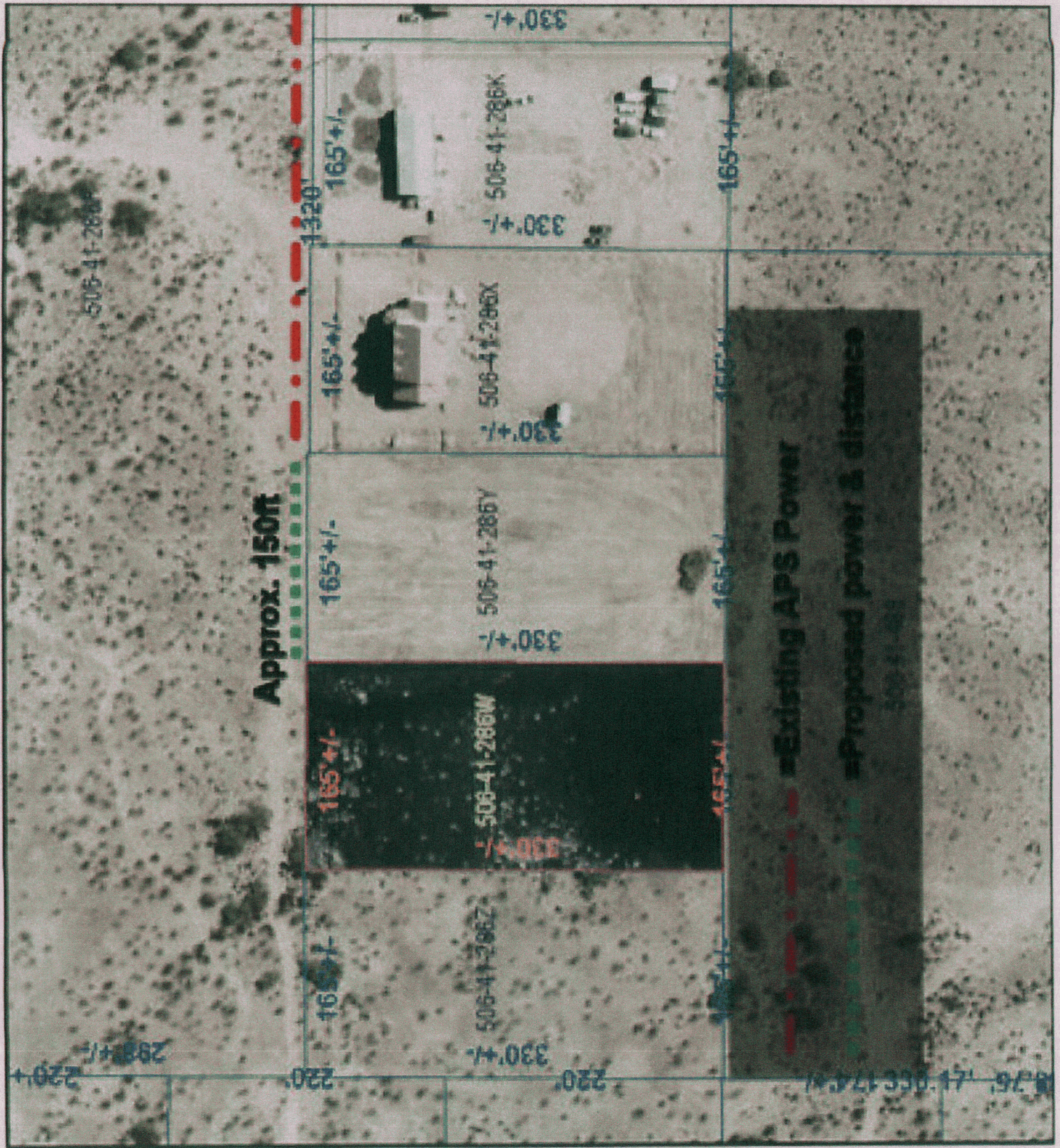


CHART C5



A subsidiary of Pinnacle West Capital Corporation

Name Vicki Vance
Title CSR
Department Buckeye Construction

Phone: 623-932-6671
Mobile: 602-448-6821
Fax: 623-932-6633

Email Address
vicki.vance@aps.com
Physical Address
615 N 4th St
City, State, Zip
Buckeye, AZ 85326

November 12, 2008

John Wylie

Re: Power to Lots: 506-44-098S

Dear John,

This letter is in response to your conversation with George Quinones on November 12, 2008. The following price includes all labor and material, including transformers, for bringing power up to the lot lines. This price does not include any service runs or metering. Note that this quote is rounded to the nearest number and the final price may vary slightly.

Lot 506-44-098S – Three Pole Extension with OH Transformer = \$21,200

Any questions please feel free to give me a call at 623-932-6671

Sincerely;

Vicki Vance

CHART C5

